



# House of Representatives

## File No. 700

General Assembly

February Session, 2008

**(Reprint of File No. 43)**

House Bill No. 5578

As Amended by House Amendment Schedule  
"A"

Approved by the Legislative Commissioner  
April 21, 2008

### **AN ACT CONCERNING REINSTATEMENT PAYMENT STATEMENTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 49-10a of the 2008 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective October 1, 2008*):

4 (a) A mortgagee shall, upon written request of the mortgagor or the  
5 mortgagor's attorney or other authorized agent provide a payoff  
6 statement or reinstatement payment statement in writing to the person  
7 requesting the payoff statement or reinstatement payment statement  
8 on or before the date specified in such request, provided such request  
9 date is at least [ten] seven business days after the date of receipt of the  
10 written request. [for a payoff statement.] If the request is made in  
11 connection with a default, the mortgagor's attorney may make such  
12 written request directly to the mortgagee, provided such written  
13 request contains a representation that the person requesting the payoff  
14 statement or reinstatement payment statement is the mortgagor's  
15 attorney and that the mortgagor has authorized the request.

16 (b) If the mortgagee fails to provide the payoff statement or  
17 reinstatement payment statement on or before such request date, the  
18 mortgagee shall not be entitled to the payment of any interest on the  
19 mortgage loan which is secured by such mortgage which accrues after  
20 the expiration of such request date. If the mortgagee provides the  
21 payoff statement or reinstatement payment statement to the person  
22 requesting [the payoff] such statement after the expiration of such  
23 request date, interest on the mortgage loan which accrues after the  
24 receipt of the payoff statement or the reinstatement payment statement  
25 by the person who has requested it shall again be payable. The burden  
26 of proof shall be on the mortgagor with respect to the receipt by the  
27 mortgagee of the mortgagor's request for a payoff statement or a  
28 reinstatement payment statement of the mortgage loan, and thereafter  
29 shall be on the mortgagee with respect to the receipt of the payoff  
30 statement or reinstatement payment statement by the mortgagor or the  
31 mortgagor's attorney or other authorized agent.

32 (c) The mortgagee shall not impose any fee or charge for the first  
33 payoff statement or reinstatement payment statement requested within  
34 a calendar year, unless the mortgagor or the mortgagor's attorney or  
35 other authorized agent requests expedited delivery of [the payoff] such  
36 statement, agrees to pay a fee for such expedited delivery and the  
37 [payoff] statement is provided by the agreed upon date.

38 (d) For the purposes of this section, "reinstatement payment  
39 statement" means a statement setting forth the total sum owed by a  
40 mortgagor to a mortgagee, which, if paid, will cause the loan to be  
41 reinstated, provided any other contractual conditions for reinstatement  
42 are satisfied.

43 (e) Nothing in this section shall create an obligation on the part of  
44 the mortgagee to provide a reinstatement payment statement if a right  
45 to cure the payment default and reinstate the mortgage loan does not  
46 exist under the mortgage loan documents or at law.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2008</i>	49-10a
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The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

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***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

***Explanation***

House "A" (LCO 4003) is technical and has no fiscal impact.

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**OLR Bill Analysis****HB 5578 (as amended by House "A")\******AN ACT CONCERNING REINSTATEMENT PAYMENT STATEMENTS.*****SUMMARY:**

This bill extends the law on mortgage payoff statements to reinstatement payment statements. It defines a "reinstatement payment statement" as one that provides the total amount owed that a borrower can pay to cause the loan to be reinstated, provided any other contractual conditions for reinstatement are satisfied. Specifically, the bill requires a lender to, upon written request, provide a reinstatement payment statement in writing to the borrower or borrower's authorized agent by the date noted in the request as long as that date is at least seven business days after the request is received. The bill also shortens the deadline for payoff statements from 10 business days to seven. The borrower's attorney can make the request to the lender if it relates to a default, as long as the request represents that the person is an attorney authorized to do so by the lender.

Under current law, the lender must provide a payoff statement by the request date or forfeit any interest on the mortgage loan that accrues between the request date and when the borrower receives it. The bill extends the law to reinstatement statements. The burden of proof with respect to the receipt of the request is on the borrower and, with respect to receipt of the statement, is on the lender. The bill prohibits the lender from imposing any fee or charge for the first reinstatement payment statement requested each year unless the person making the request agrees to pay a fee for expedited delivery of the payoff statement and the lender delivers it on time.

Finally, the bill specifies that it does not create an obligation on the part of the lender to provide a reinstatement payment statement if a right to cure the default and reinstate the loan does not exist under the loan documents or the law.

\*House Amendment "A" extends, from five to seven, the number of business days a lender has to provide a requested statement; changes the definition of "reinstatement payment statement" to provide that the specified amount does not cure the default, but rather, causes the loan to be reinstated if other conditions are met; and specifies that bill does not create a right to a reinstatement statement where one did not already exist. It also eliminates language that seemed to suggest that interest that accrues after the receipt of a late reinstatement or payoff statement is only payable if the mortgage is not paid off or reinstated.

EFFECTIVE DATE: October 1, 2008

#### **COMMITTEE ACTION**

Banks Committee

Joint Favorable

Yea    17    Nay    0    (03/04/2008)